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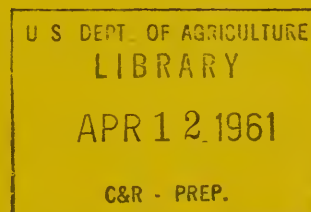
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1960

Second Midwest Regional Member Relations Conference

Sponsored by
American Institute of Cooperation
and Farmer Cooperative Service
U.S. Department of Agriculture



May 4 - 6, 1960
Omaha, Nebraska

FARMER COOPERATIVE SERVICE
U.S. DEPARTMENT OF AGRICULTURE
WASHINGTON 25, D. C.

Joseph G. Knapp, Administrator

The Farmer Cooperative Service conducts research studies and service activities of assistance to farmers in connection with cooperatives engaged in marketing farm products, purchasing farm supplies, and supplying business services. The work of the Service relates to problems of management, organization, policies, financing, merchandising, product quality, costs, efficiency, and membership.

The Service publishes the results of such studies; confers and advises with officials of farmer cooperatives; and works with educational agencies, cooperatives, and others in the dissemination of information relating to cooperative principles and practices.

FOREWORD

This Conference is the second in the Midwest and the seventh of a series being conducted on a regional basis throughout the United States. Sponsored jointly by Farmer Cooperative Service and the American Institute of Cooperation, the purpose of these conferences is to bring together for an exchange of ideas and techniques men and women who are professionally engaged in the general field of cooperative member relations.

In some cases these participants are employed full-time in cooperative member relations activities. In other cases they are men and women who, while employed in some other capacity, have developed an effective member relations program as a part of their over-all work assignment.

The three basic elements of a member relations program are communication, motivation and participation. The first Midwest Member Relations Conference dealt with the general subject of "Motivation for Member Participation." This second Conference for the Midwest is built around the general theme "Communication - Key to Effective Member Relations." The following talks cover various aspects of that theme.

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SESSION I

Thursday Morning, May 5, 1960

Chairman: John E. Eidam

WHY ARE WE HERE?

John E. Eidam

There was a time when a fairly alert individual could know most everything that went on in a community--and could know it accurately. This is not true today. Our society is becoming so complex it is difficult for one to know just what is happening in his own community--let alone know facts concerning business matters that take place some distance away--unless it is someone's job to make those facts available, and they are reported.

The mind is an unusual organ. It can and does retain purely extraneous facts that strike our fancy, but easily blots out very important, but very dull information. An example of this just came to mind. I repeated a little story recently, and Hugh McEvoy said, "Whoever told that story ought to be sued by Ivy Duggan, former Governor of the Farm Credit Administration, as I heard him tell it 10 years ago." I stated that it was Ivy Duggan who again told the story at Knoxville, Tenn. Someone else wanted to know from McEvoy what else Ivy Duggan had said 10 years ago. Of course, he couldn't remember. There ought to be a lesson in this somewhere!

Of course, there is a lesson. It is that emotion makes a greater impact on the mind than reason. People are motivated by emotional stimuli rather than by rational or logical stimuli.

It is quite important to gauge listener interest and understanding in order that factual material may be properly presented, and readily understood. People often do not see things the way we do.

A young artist had been working on landscapes for a long time. He decided he should get in some practice painting a live model. He was painting a nude in the studio in his home. His wife thought it would be better if she would take their little 5 year old girl shopping and be away from home. When they returned, the little girl broke away from her mother and ran into the house, and on into the studio. When her mother caught up with her, she was curious as to the child's reaction. The 5 year old turned to her mother and said, "How come you let her go barefooted, and you won't let me?"

For over 100 years it has been a basic belief of cooperative leaders that it is desirable to carry on a continuous program of member education.

This is a fundamental thing. The principle of free education--the idea that everyone ought to be educated--is a part of our society. And we might remind ourselves that this is the only nation on earth that has freedom of education as a part of its basic governmental policy. In the enabling act for the admission of Nebraska into the Union, for instance, it is provided that section numbers 16 and 36 in every township in the State are granted to the State for the support of the common schools. And in addition to other lands given for State purposes, 72 sections were set aside for the establishment of a State university. And, in addition, 5 percent of the sales of all public lands were provided to be set aside for common schools.

It has been pointed out that in the early days of our American Nation members learned about their cooperatives by actually taking part in cooperative affairs. The people in the Cantons in Switzerland still meet and vote en masse on laws and policy decisions. This country was established with a representative form of government. Except in very rare instances, people do not vote directly for laws, nor do they establish policies. They elect representatives to do so.

As cooperatives have grown in size and complexity, much of the actual operation of cooperative affairs has been delegated to representatives elected by the members and to hired personnel. Thus intimate knowledge of cooperative affairs tends to be confined to those members who are elected to serve in some official capacity, such as being a member of the board of directors. The only other way is through membership relations activities.

The growth of our cooperatives has been sporadic. The best way I can describe it is to refer to a simple type of cooperative, - a credit union. At first, the credit union has very little money to loan, and many applications. Much emphasis is put on savings to provide loan funds. Finally the savings side catches up.

Finally someone determines that the loan side should be emphasized. This is done and then little is done on the savings side. Suddenly the credit union runs out of money to loan. And so it goes. Cooperatives, not being sophisticated or mature organizations, have not, in many instances, adopted well-rounded complete membership or even business programs to bridge the gap from the simple early-day organizational structure to the complex organization required today. Some people say we are behind.

One of our purposes in being here is to re-orient our thinking. It is to get out of the trees so that we can see the forest. It is to obtain perspective, and do some objective thinking.

Not always do we keep in the forefront of our minds the tremendous advantage cooperatives have because they have members. Members are not just customers. Members are owners. Members are risk-bearers. Members represent potential volume. From members we can obtain capital.

Frederick Kappel of American Telephone & Telegraph, in announcing the 1960 expansion of \$2.6 billion to the 11,600 assembled stockholders of that tremendous company, sought to create through the publicity attendant on the announcement a feeling that all citizens are "members" of A. T. & T. We in the cooperative field have the members. It is the purpose of a gathering of this kind to create in our own minds an awareness of this built-in advantage. If we do not use it, as with unused muscles, atrophy sets in.

We need to "charge the jury" as is the custom and practice in law courts. It is necessary to sum up and then lay the responsibility in the proper hands. What is needed in the profession of public relations director is the pursuit of excellence.

In Norbert Wiener's book, "The Human Use of Human Beings," he elaborates on cybernetics, or control and communication. The ability to communicate, Wiener points out, is one way of properly differentiating between animal and man. "The impulse to communicate with his fellow beings is so strong that not even the double deprivation of blindness and deafness can completely obliterate it," he says.

By the exchange of views it is hoped and expected that you will receive inspiration and a cross-fertilization of ideas that will be helpful in building better cooperatives for farmers--cooperatives that will serve farmers more advantageously and profitably.

In the recent book, "Enough Good Men" by Charles Mercer, out of the characters in this Revolutionary War book there comes flashing back to us across time a story of men and women, a few dedicated to an extraordinary struggle for freedom, and many pursuing their own selfish goals. The author says he wrote it with some anger and a great deal of love. Anger at chauvinists who have tried to embalm the most vital and wonderful age of our history in a cold and ancient tomb. And love for real people, common people. Micah Heath, the bound boy who slogged his weary way through the war, convinced every mile of it that the cause was lost. Philly Twill, the orphaned servant girl, who aspired to learn to read and write, and who finally became a fine young woman who dared in this country to aspire to marry above her station in life.

One of the characters in this book is made to say rather casually: If Enough Good Men will stay with the General, it is possible that we can win this cause."

This causes me to say that if enough good men will stay with this idea of membership relations, our cooperatives will grow and become of moment and consequence. If not, the future is dreary indeed.

No one denies the value of the buying and the selling. If it were not done, and with a margin, we would not be here. But there is something greater than buying and selling. Why are we doing the buying and the selling?

It is to have the freedom to do so. It is the kind of thing that caused Thomas Jefferson and his compatriots to say, "...among these are life, liberty, and the pursuit of happiness." And for Jefferson to write--"I have sworn upon the altar of God eternal hostility against every form of tyranny over the mind of man."

It is your duty to describe and to proclaim the place of the farmer in our society today, and the place of the farmers' cooperative in such a society. Better membership relations will increase the buying and the selling.

It is your place to put in proper perspective our capitalistic society. You must point out that the day of an exploitive capitalism is on the wane. Hard struggles yet face us, but the temper of the times is such that we have a dynamic capitalism which gives people a greater voice in decisions. This is more the order of the day. It is not a departure from capitalism--but the people want our economic entities to serve us and not destroy us. Cooperatives are that type of being. It is your duty to say so.

We need in this conference--we need every day in our work--the proper perspective, and the pursuit of excellence.

How Do People Learn?

Paul Kennedy

Two weeks ago I heard Dr. Karl Edwards of the University of Kansas give a talk on the "Explosions in Today's World." He described the "population" explosion with the figures that in 1330 this earth reached its first billion; in 1935, it had its second billion; in 1965 we will have the third billion; and in 1970, our fourth billion.

He then went on to describe the "information" explosion. He said the total accumulated knowledge of the earth's society had doubled from the year 1 to 1750. It doubled again by 1900; doubled again by 1950; and doubled again by 1960. These figures indicate there is much to learn and we should be about this business of studying the learning process so that we do the best we can in our efforts to contribute to, not only our own learning, but the learning of others.

In the profession of teaching we are vitally interested in learning. As John Dewey said, "We can no more say we have taught until some one has learned, than we can say we have sold until some one has bought." So as we work at teaching, we do so in relationship to the learning that is hoped for.

In your thinking about "How Do People Learn?" and learning, this morning, it seems to me, we need a definition of learning. For my definition I use "the development of a pattern of behavior which can be used to guide one's conduct."

As you have watched the conduct of people, you have noticed that they behave differently; consequently, in answer to the question which is the title of this talk, "How Do People Learn?" the answer obviously is "Differently". This answer, however, is like many others we get - inadequate--for it does not contribute to understanding the learning process. And as I see my responsibility, I believe I am expected to contribute to your understanding of "How People Learn."

To quote a former professor of mine, Dr. Ernest Bayles of Kansas University, "To understand a process is to interpret it in such a way as to be able to anticipate with accuracy the various steps before they occur." It is through anticipation or prediction, based on understanding, that control or guidance is achieved, and the factors which must be taken into account if we are to anticipate and thereby to guide behavior successfully are:

1. The confronting situation as seen by the learner.
2. The goals or purposes of the learner.
3. The insights of the learner.

These three factors apply to each of us as we attempt to understand the learning process, and they also apply to the people whose learning we may be attempting to guide. Taking them one at a time, I shall attempt to point out how these three factors affect and effect learning.

The confronting situation as seen by the learner means the combined facts of which the learner is aware. "As seen by the learner," is a necessary clause because the confronting situation may include more facts than the learner sees, or wants to see. These facts he uses to "size up the situation."

To use this meeting as an example; some of you may see it as an opportunity to improve your effectiveness in your work, others may see it as an opportunity to write letters, or visit with friends. Sometimes we may see things that don't exist. On other occasions we may see what we want to see and ignore what we don't want to see. If we are wise we will use my friend, Dr. Bresnahan's formula for the scientific method. He calls it the six F's.

FIND THE FACTS
FILTER THE FACTS
FACE THE FACTS

Some of the facts we can change, some we can't. It is the wise fellow who can differentiate.

The second factor--goals or purposes of the learner--has such a tremendous influence on one's learning, I was tempted to list it first. However, the goals of the learner are based on his awareness and this comes from his sizing up of the confronting situation. Each of us should have goals or purpose as we design our behavior; they can be immediate, long-range, or somewhere between. We have to know where we are going; what we are trying to accomplish; unless we are interested only in killing time. Someone said, "If you want to kill time, the best way is to work it to death."

Critics of modern society frequently complain that people have no goals or those they have are not their own, or not worth having. As you design your conduct, what purposes do you have in mind? Sometimes we do things very well without ever asking ourselves if they are worth doing.

The goals of learners determine where they put their effort, energy, time, and even their money. If a person sees an opportunity to accomplish his goals by a certain pattern of conduct, he will attempt to behave in a way which he feels will help him to approximate these goals.

He may not be able to design his behavior in a way or ways which will give satisfaction or desired results because he may not possess the insights necessary to conduct himself successfully. This brings us to the third factor; the insights of the learner.

By insights, I mean the individual's abilities to put together the elements of a situation in proper relationships so that he predicts consequences correctly. In other words, his filtering the facts produces a true consequence or consequences.

Learning then is a process of developing insights.

These insights, Dr. Bresnahan calls, "the feedbacks from perceptions." As learners perceive confronting situations they experience the stimuli as they relate to their goals and their insights.

So in answer to the question -"How Do People Learn?" - I would like to close by saying that people learn by developing insights which enable them to place the facts as they see them in the best relationships they know how so that the utilization of insights, when the situation offers, will contribute to the accomplishment of goals.

Now have you learned anything? Or are you like the little boy whom the teacher asked, "Johnnie, are you learning anything?" Johnnie replied, "Nope teacher, I'm listening to you."

To sum up: People learn by experience. John Dewey has been credited, or discredited, with having said "We learn by doing"; however, no one has located this expression in his writings. In addition to the "doing" one has to experience the consequences of his "doing." Dewey called this "undergoing." As the consequences contribute to approximating goals--an act which might be called "success"--the learner is stimulated and will likely learn more.

A successful learner catches some of his teacher's enthusiasm for the subject and goes further. Our primary purpose as teachers is to promote the ability of the students to learn independently. As teachers, we want learners to go further; hence enthusiasm for one's subject is all important.

Application to Specific Cooperative Situations

Willis M. DeSpain

Ingenuity has been defined as man's cleverness in getting out of spots his stupidity gets him into. Information is of no real value until it is applied to some specific situation. It reaches its ultimate value only when put to use. A great deal of every useable knowledge and information has been accumulated by our educators and research personnel. Much of this is filed and waiting to be used.

Dr. Paul Kennedy has just brought us an exceptionally good presentation, "How Do People Learn?" This information becomes quite valuable only if we take it home with us and use it in our respective cooperatives. It has been said that the principal reason our farmers have done a far better and more efficient job than any other farmer in the world is not because there is more knowledge available in our American agricultural colleges, but rather, because of the methods being used in getting this information out to the farmer who will use it.

The purpose of this conference is to transfer information from the one who knows to the one who will use it. Let me call special attention to Dr. Kennedy's quotation from John Dewey: "We have not taught until someone has learned." Can we also make the statement that we can learn only when we have been taught? Of course, we must realize the teacher may be in many forms; such as experience, vicarious learning, formal education, conversation over the back fence, or some type of printed matter. The learning-teaching process is very often a two-way process; in fact, it is more nearly an ideal setup when there is a feedback from teaching.

The three factors to guide behavior, as given by Dr. Kennedy, can well be used in our cooperatives:

One, the confronting situation as seen by the learner. Oftentimes, we must first teach how to learn. There is a need for complete and correct information to present the situation to the learner. The situation faced may be a cooperative member who is sure the best way to feed out a pen of shoats is to supply plenty of yellow corn and fresh water. Therefore, at times, we may find a block in the path of the learner.

The second factor was Goals or Purposes of the learner. These goals may vary from the learner with practically no goal to the one whose goal may be his cooperative as an economic and social way of life; or he may even interpret life by the cooperative principles.

In the cooperative, there is a great difference from the teacher-student relationship found in the classroom. The cooperative member may not have come to learn or has no special desire for additional information, as the student does. There is quite a variation of background of interest, ability, and attitude of the members. The process of motivation, therefore, must be quite different. The goal itself is entirely different from the classroom situation. Let us keep in mind that oftentimes we find ourselves attempting to guide human behavior when (1) people do not have the desire to learn; (2) personalities vary drastically; (3) different types of motivation are needed; and (4) goals of the members differ greatly.

A batter, who was recognized for his inability to hit, stepped into the batter's box to face a pitcher, who was well recognized for his ability as a great pitcher. The batter stood with his back to the plate. This discouraged the pitcher--four balls and no strikes and the batter walked to first. We may oftentimes find that in this teaching-learning process, we are pitching to a batter who has his back to the plate.

The third factor is The Insights. An insight might be defined as keen perception or deep understanding. Learning is actually just a process of developing insights. They develop through the six senses. By far the largest amount is through the sense of seeing. In our cooperatives, most learning is done by reading, hearing, seeing, and participating. Through reading we may obtain a great deal of information from publications such as the house organ. Through hearing we obtain much information at the annual meetings, reports, lectures, through personal investigation, and from member to member. Through seeing we learn from demonstrations, pictures, charts, graphs, displays, and observation. We remember a much higher percentage, and for a great deal longer period of time, the information we learn by this method.

A very desirable way to learn is through participation by serving on committees, boards, making tours, community canvasses, and so on. Participation should be carefully guided because, by this method, it is so easy to learn the wrong way as well as the right way. In other words, let me say that practice does not make perfect. Only perfect practice makes perfect.

Much of the learning in a cooperative is by precept and example. These examples should not be imperfect ones. The key to the learning process is that the teacher must have developed sufficient enthusiasm so that he will cause the learner to go beyond the knowledge and ability of his teacher. This accounts for the increase of knowledge gained from generation to generation.

The manager must assume a large share of the responsibility for the teaching-learning process.

First, he must have learned and must be well supplied with a considerable amount and variety of knowledge.

Second, he has a responsibility to the employees to see that they have adequate information and training. The employee must know what he is to do, how, when, and why. Responsibility must be passed on to the employee. A job description is a valuable tool to be used in this process. The employee must know how he fits in the overall cooperative machine. He must be informed about the products that he sells or handles. He must know the principles of a cooperative and the members' needs.

We strongly urge that each organization hold monthly employee meetings. These, too, are an important tool in the teaching-learning process of the employee. Here, very definitely, there should be a two-way flow of information.

Third, the manager's responsibility to a board of directors cannot be overemphasized. The board must be kept well informed and supplied monthly with complete information regarding the cooperative. This goes far beyond the balance sheet and the operating statement.

Fourth, the manager's responsibility to the membership is exceedingly great. Many a manager has failed because he did not adequately inform his members. There is a close correlation between an informed membership and a successful cooperative.

Fifth, the manager must recognize his responsibility for supplying cooperative information to his community. The people of the community should be acquainted with the cooperative. They should know its purposes and aims, they should know how it fits into the free enterprise system and they should know how cooperatives build and strengthen communities. They should fully recognize their cooperative as an integral part of the community.

Far too many of us have failed our communities in this respect. We have allowed adverse forces to tell the story we should be telling; and as a result, too many times we find ourselves on the defensive. Our cooperatives must be a part of their community. They must work with other businesses for the betterment of their community. In many cases, they should take the lead and set the pace.

In summary, let me point out that regardless of the method used by the cooperative to teach, the method should be carefully examined to determine that proper results are being obtained. Care should be given that the right kind of teaching is being done. Without doubt, a combination of various methods should be used. The principal ones of these are at the annual meeting where graphs and charts are used, where a good sound system has been set up so that people can hear, where a blackboard is made use of so that people can see, where a financial statement is supplied in printed form, where a manager's report is made that covers information given in the financial statement, and where a question box is made use of to bring out additional information.

From the cooperative office, newsletters should go to the members at frequent intervals; a bulletin board should be kept current for those coming by the office; home visits should be made by the manager, public relations man and other employees; and tours should be conducted to other cooperatives, including regionals.

In our relationship with other people, when we have been able to develop understanding, this understanding will be followed by cooperation, and with cooperation we attain achievement.

How To Manage For Better Member Relations

Thomas H. Nelson

When one finds good member relations, he will nearly always find two qualities going hand in hand. The first quality consists of a strong conviction on the part of the manager and key board members that a cooperative should be a dynamic and democratic society -- not merely an economic service enterprise. The second quality is really the Siamese twin of the first. The manager and key board members have a repertoire of skills for turning a number of individuals into a dynamic and democratic society -- not merely a list of users or customers.

There is a tendency to assume that practically all managers and board members want the cooperative to have active and interested members. If one could proceed on this assumption as valid, then all we would have to do is to equip managers and boards with techniques and skills for making members interested and active.

But, the assumption isn't valid. "Everybody who talks about heaven ain't agoin' there," might be paraphrased -- everybody who talks about membership doesn't really want an active, vocal, democratically functioning membership society.

I. Viewpoints of Manager and Board Determine the Starting Point

If the board and the manager believe in a strong and active membership organization, they are ready to look into ways and means of keeping members informed, interestd, and active. But, if they regard members merely as customers for "their" products and services, the board and the manager will not do more than pay "lip service" to member relations programs.

In brief, the key to a dynamic membership is a board and a manager who believe that a cooperative is "a group of persons banded together in a democratic society for their mutual self help."

In the final analysis the member relations activities of the manager, the board, and the members depend upon the basic viewpoints regarding the objectives of the cooperative itself.

The formulation, adoption, and understanding of viewpoints and objectives is one of the first management responsibilities of the board and the manager. Good management will have formulated and publicized clear-cut, comprehensive viewpoints and objectives.

II. Three Typical Viewpoints

If one were to talk with several hundred board members and managers of cooperatives, he would hear a variety of expressions regarding membership ranging all the way from, "Membership is just a necessary evil" and "Let sleeping dogs lie," to philosophic statements such as, "Membership is a democratic society banded together for mutual self-help."

The many different statements and viewpoints which one might hear can be classified into three major groupings. The first, in brief, regards membership as necessary for legal authority. Here is where we find a few managers and even some board members saying:

"Well, membership is just a necessary evil. Give them enough information to keep them out of your way. Don't stir them up. Let sleeping dogs lie. Do as little as possible with the membership. They will bother you. They will take up your time."

In this group we find those who wish they could do away with the whole membership deal. They are not necessarily against people, but they do not know how to organize and to communicate and to manage an operation in which so many different individuals are involved.

Closely related -- but different emotionally -- is the concept that the membership is a setup that rubber stamps and makes legal the operations of the board and of the management.

Closely related, also, is the idea that the membership is the source of ultimate authority. This is a sort of legalistic approach to the matter. It makes no evaluation of the importance of membership; it just recognizes that the organization is set up that way legally and it is up to management to conform. However, this point of view is likely to share with membership only that amount of information that is necessary on the one hand to conform to the legal requirements and, on the other, to get approvals. Koontz and O'Donnell in Principles of Management, published by McGraw Hill, remind us that financial results (savings or profits) are not always the exclusive objective of a management; sometimes even the primary objective is not money. The major objective could be security of position, empire building and power, social prestige, public acclaim, "or any of the other strong motivations of human conduct."

Management, employed or elected, may come to deal with membership primarily in a self-protective, security-of-position manner.

Under the point of view that membership is necessary for legal authority, we find those individuals who pay very little attention to the membership.

A second point of view is different. It might be labeled "Give consideration to the membership -- it's good business." In this group we find those who say:

"Remember that the membership is composed of customers. They hold a membership certificate, but fundamentally they are customers. They are the ones who buy your product, your services. Therefore, you need to be considerate of them. Satisfied customers are much more easily handled than dissatisfied customers."

Closely related, are those who say:

"Well, remember that the membership can be used as an effective sales agent. You can get the membership to represent you. You can have them promote the use of additional products or services. They are more or less unpaid sales representatives."

So this group goes a little further than those who say, "Satisfy the customers."

And then, there are those who are still more discerning who will say:

"Put the membership to work. They are cheap help. You can get a lot of details and 'dirty work' done by them and save yourself expense. Serve them, of course, with good quality and economic service, enlist them in selling, and use them for your own purposes or ends."

The first grouping thinks of the cooperative as a business, and one that gives good service at a reasonable cost to individuals who are customers and at the same time hold membership certificates. The business concept also predominates in the second grouping.

The third grouping, however, has a point of view that is quite different from the preceding two. It regards the membership as a democratic society, banded together for mutual self-help. Quoting Jerry Voorhis of the Cooperative League of the USA:

"Co-ops will continue to offer people the chance to participate in a genuine democratic, dynamic, self-help enterprise through which they can serve themselves without paying tribute to anyone. Such an appeal will meet a ready response from people who yearn for a personal dignity they cannot achieve as organization men."

"True freedom comes only to people who are willing to take the risk and trouble to solve their own problems by their own efforts and to grow in strength in the process. True freedom includes the right of people to conduct profit businesses or non-profit businesses as they see fit -- and without discriminatory penalty in either case. True freedom is the right of the people to decide what course their government shall follow and what functions it shall perform -- including the encouragement by government of cooperative action by the people in applying the old, old method of mutual aid to their problems."

At the very center of this point of view, in fact the very axis around which it revolves, is the individual. But, not the individual alone, by himself. It is the individual banded together with other individuals.

In the three foregoing viewpoints we have seen:

1. Members tolerated as a necessary evil.
2. Members regarded as the source of good business.
3. Members regarded as a democratic society banded together for mutual self-help.

The member relations programs will differ greatly under these different viewpoints. In fact the viewpoint adopted will lead to the selection of quite different techniques of dealing with the members. Consequently the objectives of a cooperative will differ widely depending upon the viewpoint.

III. What Is Meant by a Dynamic - Democratic Membership Society?

Board members and managers do not always agree. In a recent study made by my firm, answers to the statement "Member meetings should be conducted on a fully democratic basis" revealed only one out of 213 respondents who disagreed. Yet answers to other questions in the same study indicated many respondents doubted the ability of members to make sound judgments.

Ordway Tead in The Art of Communication, published by McGraw Hill, has given one of the best descriptions of a democratic group when he says:

- "Aims are shared in the making;
- Working policies and methods are agreed to by those involved;
- All who participate feel both free and eager to contribute their best creative effort;
- Stimulating personal leadership is assured;
- And in consequence the total maximizes the aims of the organization while also contributing to the growing selfhoods of all involved in terms of clearly realized benefits."

How democratic is your membership organization?

You might obtain an answer by appraising the membership activities by Tead's key points.

Would a membership which met Tead's criteria be more interested, more active, more dynamic than one which was treated merely as good customers to be kept well informed and "buying"?

IV. What Techniques Make a Membership Dynamic - Democratic?

Every student of member relations will emphasize communications. Since you have several sessions on communications, I will merely include it as an essential -- a first essential -- and mention two aspects of communications often neglected.

Communications is too often restricted in meaning to the written and spoken word -- house organs, annual reports, promotion literature, newspaper ads and articles, and talks. But communication is any behavior noticed by an individual and to which he attaches meaning. Member Smith makes a suggestion. It is ignored or at best circumvented. He has received a powerful message particularly if he is sensitive.

A club invites the manager to make a talk. He makes an excuse and declines. The club has already had a meaningful speech in a few words.

"What you do speaks so loud I cannot hear what you say."

A neglected phase of communications is getting them to talk. That requires the willingness to listen. This we hear about, but usually a good listener is also a good "draw 'em outer." He knows how to prime the pump and then listen.

As I see and hear about communications, it is heavily geared to "Tell them what we want them to know. Tell them how successful we were (or why we didn't do so well)."

Information for understanding is necessary, but understanding isn't enough. William Heard Kilpatrick, one of the world's great educational philosophers, describes education in terms of: (a) Knowledge and skills, (b) understandings and appreciations, and (c) insights and outlooks.

Even if we get real understanding we are only half way to a broad outlook. We are just at the beginning of the second level. Our communication to be educative, must generate emotional qualities of appreciation and move on to depth of insight and breadth of outlook. Then we can depend on persons being motivated to action.

A second technique is a most comprehensive one -- Secure participation.

Board members and managers tell us that even the members who come to the annual meeting do not want to participate.

"You can't get anyone except board members to make a motion; we even have trouble in finding a new voice to second a motion," said a board member in a recent discussion.

In the study referred to previously, we included the statement: "Very few members want to participate in annual meetings or other member meetings." Eight percent of the board members said this was true or largely true.

On the other hand whenever members have been enlisted in planning and assisting in the conduct of the meetings, or when annual meetings have been preceded by district meetings, the total number of persons taking some active part in planning, promoting, servicing, or conducting the meetings is much greater than where they come to see, to listen, and to approve.

Participation doesn't necessarily mean to make a talk. It means "to have a share in common with others;" "to take part with others."

I would wager there are 25 specific jobs in connection with member meetings besides being on the platform, and if one of those job assignments was simply to talk personally with 5 members regarding attending the annual meeting, from 5 to 10 percent of the members could be involved in this one task. The word involved is a good one to keep in mind. It doesn't mean here to get complicated; it does mean "to roll up into," "to entwine," "to occupy (oneself) absorbingly or engrossingly."

The board and the manager could set up as a major project for the year enlisting scores of member groups in discussing the company's viewpoints and objectives. This would become in itself a significant educational project.

During another year hundreds of members, probably 10 percent, could be trained in how to study the market potentials of the company's present products and services.

Management could then budget more intelligently and purchase or produce more economically. Most of the members who were interviewed by a market committee member would feel that the cooperative was more interested in him personally than if it merely sent out promotional literature.

A little imagination would come up with a series of projects that could put hundreds of members to work every year. They would become involved -- they would participate -- they would feel a sense of belonging and a sense of ownership, and the latter would not be measured by the number of dollars invested.

The educational secret of developing attitudes is to get persons into an activity that represents the attitude. They like the activity, at least the recognition that goes with it, and they then adopt the attitude that it represents. A direct attack on attitudes seldom makes a change; but getting persons to participate in activities usually sees appropriate attitudes grow as a byproduct.

V. Six Simple Rules for Better Member Relations

Out of the hundreds of discussions on member relations held with boards and manager groups, have come six simple rules -- or guides:

1. Give them choices to make
(in committees, in work groups, in district and annual meetings and in selecting board members.)
2. Give them work to do
(making market studies, enlisting members, discussing live wire issues, promoting and conducting member meetings.)

3. Spend more time thinking and planning how to get them into the act
(not just doing things for them.)
4. Teach them how to plan and lead group discussions, committee meetings, and working teams
(creating scores of centers of influence with small groups.)
5. Anticipate but let them make a mistake now and then
(realizing not every group will agree with the board and the manager; opposition may even develop but that's healthy in a democratic society.)
6. Share the credit with those who work
(rather than spending so much effort proving that management has done a good job.)

These six rules, if followed, would improve member attitudes because they would increase member activities, member involvement, member participation.

Following these rules will require a progressive type of management on the part of the board and the manager.

Boards and managers who regard members as "a necessary evil" or a rubber stamp, will not use the rules until they have changed their own viewpoints. They aren't ready for member relations techniques.

Even those boards and managers whose viewpoints fall in the second grouping ("Members are customers") will have to broaden their concepts to think of members as a potential society, and not merely as a list of customers, before they will make effective use of the six rules.

The essence of management is not purchasing, selling, accounting, manufacturing, bargaining. These are technical, specialized areas in which managing is done.

The essence of management is planning, organizing, directing, coordinating, and controlling. These functions have to be put to work in the leadership of a member society as well as in the administration of business operations.

Management by objectives and directives or the assembly of activities means that members of the board and the manager must first know where they want to go.

In view of the wide range of viewpoints which one may find in cooperatives, it is advisable that each member of management and each member of the board of directors examine his own philosophy and points of view toward the worth of the individual, toward democratic society, toward the use of authority and rank, and toward the responsibilities of leadership.

The formulation of viewpoints and objectives through deliberate study and discussion on the part of boards, managers, and member groups can be a most productive exercise in developing a member relations program.

The process leads the participants beyond the economic products or services into the area of values; values to agriculture, values to the community, values to employees, values to members in terms of their continued ability to earn a living and to raise their standards of living. The enterprise becomes bigger than products. It gets judged in terms of contributions over and above price of purchases or marketed products.

It is not suggested that products, services, prices, and savings are unimportant; but it is suggested that these alone will not make a cooperative and they alone certainly will not create a dynamic, democratic membership society.

To manage by objective the board and the manager must plan a long-range program of member education and activity. A "hard core" of members must be found or developed who not only understand but deeply believe in cooperative principles. The first step in planning is to create, or at least to identify, this group. Then the planning function can outline a series of member activity projects, studies of market potentials, enlistment of new members, discussion of farm issues, and promotion of member meetings in which members will participate. Each cooperative must make its own long-range and current-year plans, which rank equally with plans for operations, facilities, and resources. A worthy goal could be to enlist 10 percent of the members in active projects during the current year.

Organizing the working groups, enlisting personnel, and helping them outline their respective responsibilities becomes a major and time-consuming task requiring skills of organizing volunteer (unpaid) member groups. It's a more difficult organization task than organizing a group of employees.

Directing these groups without bossing them becomes the central task, the toughest responsibility that calls for the higher skills of motivating leadership. Conflicts of interest will have to be reconciled; jealousies and personal likes and dislikes will have to be dealt with; motivations appropriate to many different personalities will require study and keen insight into human nature.

Developing the group leaders will be a major task. They become the motivators of their respective groups. Over and over the manager will be tempted to take over the leadership himself rather than select, train, and work through others.

Keeping the scores of groups moving ahead in consistent directions is the job of coordinating. And measuring or appraising the results on the basis of adequate records is the controlling task.

Management for better member relations is still planning, organizing, directing, coordinating, and controlling, but these functions manifest

themselves quite differently in dealing with volunteer workers than in dealing with employees. Management in member relations becomes real leadership. "The leadership style of the past is for the jungle" says Roger Bellows in Creative Leadership, published by Prentice Hall. "Creative leadership involves arranging the situation so that mutual goals and understanding meld people into harmonious teams."

Creative leadership involves two essential elements:

1. Getting people to contribute their thinking and their efforts on behalf of some aim because they desire its realization and because they want to join others in bringing it to pass.
2. Setting up or arranging situations in such a way that people will respond to this type of leadership.

We have already pointed out that the manager and his staff will have to spend large blocks of time in planning, organizing, and directing to arrange the situation to get people to contribute.

The board members, too, can play a significant part in helping to enlist members and motivate their participation and in seeing that they get the rewards of recognition and the appreciation they deserve.

The results of what we have been proposing here is not limited to better member relations; it is as significant as democracy itself. In fact it's a training ground in democratic citizenship -- one of the great values of a real cooperative.

"Democracy," says Ordway Tead, "is not some specific governmental machinery of representation, voting, law enforcement, and the like. Wherever, in the conduct of common life, there is general regard for the integrity, dignity, and worth of each person; wherever general consent is being freely given and wide responsibility is being consciously assumed for the attaining of commonly agreed aims; and wherever the creative growth of individuals is occurring, there in fact, democracy is present."

This could be the cooperative's greatest product. And certainly one of the great needs among the farm population is for a more effective interdependence. On such, in the future, rests the maintenance of the farmer's coveted independence.

The performance of management is only partly measured by the operating statement. A significant part of management performance is measured by the dynamic and democratic functioning of the membership.

SESSION II

Thursday Afternoon, May 5, 1960

Chairman: Willard J. Grant

EFFECTIVE COMMUNICATION

Willard J. Grant

As chairman of this section of the conference relating to effective communication, I am obligated to make a few brief remarks of introduction to the subject. I feel strongly, however, that as chairman, my remarks should be confined to the shortest time possible in order that I do not infringe upon the time of those who will carry the principal portion of this topic.

The term "effective communications" is all inclusive and is certainly one of the principal tools used in an effective public relations program. The responsibility for lack of understanding among cooperative members can be placed directly upon lack of effective communications, which, in turn, seriously hampers a public relations program. Where lack of understanding exists among members, a lack of interest and participation in the affairs of the cooperative are also apparent. This situation can be overcome only by a vigorous public relations and communications program on the part of the cooperative, the management, and the directors.

There are various techniques in communication that can and are being practiced among many of our cooperative organizations throughout the country. Personal contacts, house organs, direct mailings, radio and television, are but a few of the techniques being employed. Through careful planning and detailed facts, any one or all of these techniques can become very effective in telling the story to members of the cooperative, as well as to the general public.

The value of a well-informed membership in carrying out the programs of the cooperative cannot be overestimated. By the same token, cooperatives sometimes fail miserably in getting their story across in the proper perspective to the general public. This, I feel, is probably the principal reason why cooperatives and their activities are so widely misunderstood by the general public. Much could be done through proper and effective communication to the general public to enhance the position of cooperatives and their members.

In my opinion, personal contact among members is the best method of achieving effective communication with members, and, at the same time, of promoting good public relations. Personal attention to members by the co-op personnel cannot help but instill in the member's mind a sense of

belonging and stimulate interest in his cooperative, which is so vital in the maintenance of a strong cooperative. We all recognize that this can be achieved through local, district, and annual meetings, as well as through maintenance of an efficient field staff.

Our organization employs both methods in making personal contact with our members. Meetings are held annually in each district followed by an annual meeting. At the same time, each member of our field staff is required to make a minimum of two calls a year on every member in his territory. In many instances, of course, some members are called on much more frequently, as the need arises, to iron out any misunderstandings between the member and his cooperative. Where no particular difficulty exists with a member, a periodic call by our fieldmen tends to be purely a social call. It tends to bring about a personal friendship between the member and his fieldman, which in turn, brings him closer to his cooperative.

I believe it is important to always keep in mind that communication is a two-way street. Not only should the cooperative communicate with its members, but it should give its members every opportunity to communicate with it. Much can be accomplished by listening to the views of members and giving consideration to each of their ideas and suggestions. This again reminds the member that he does belong to the cooperative, that he is an owner of the organization, and that he is given every opportunity to be heard.

We are going through an era of mergers and consolidations resulting in larger and more far-flung cooperative organizations. There is nothing in the immediate future that I can see that will discourage this trend. It, therefore, becomes more and more important that cooperatives do a better job of informing members than ever before. The member of these larger organizations can no longer be considered a neighbor, so to speak, who is known personally by all the directors and employed personnel of the cooperative. Under these circumstances, it is imperative that these members receive basic information regarding the cooperative activities and all phases of its operation. A well-informed membership is the life blood of a vigorous cooperative and makes it possible for cooperative leaders and management to obtain participation in and approval of new and different programs that are so important to the successful functions of any cooperative organization.

Words Need Help

E. D. Warner

Nothing is more important today than the transfer of ideas from one person to another. This process we call "communication."

To communicate more effectively should be a constant challenge to all of us. It is not just a matter of being articulate, precise, or elementary--but also one of grasping the other person's point of view. This is where it is important for you to listen. In many cases the lack of listening results in faulty communications.

Ralph J. Cordiner, President, General Electric, once said:

"Most misunderstandings in a company's relations with customers, share owners, employees, suppliers, or the public, we believe, are not the result of lack of good intention on either side, but of a failure to communicate the facts...and as our society grows in both size and complexity, the opportunities for misunderstanding multiply."

We communicate by speaking, by writing, and by showing. Let's focus our attention on showing. Pictures were the first language. They formed the basis for the spoken and written word. Today we do not use visual forms to replace other means of communications. We use pictures to support the spoken and written word.

As communicators we bring information to people. However, this communication isn't completed until some change occurs in the person--in the way he thinks, feels, or acts.

In our business we communicate or present information in many ways--individual contacts, meetings, TV, radio, news articles, printed material, and so on. Presenting alone does not necessarily mean either communication or learning. There may be a missing link--our lack of knowledge of the learning principles.

Learning is acquiring habits, knowledge and attitudes--involving new ways of doing things. Actually it is self-initiated and the learner himself must be aroused so he will persist in this learning activity.

We know that learning comes through the five senses. The eye, the ear, the nose (smell), the mouth (taste), and touch. Of the five senses the eye is by far the most efficient avenue of learning. About 85 percent of learning is derived through our eyes and about 10 percent comes through the ears. This is a fact we forget, particularly since we have come to rely heavily on the written or spoken word.

Here is a man--it is you. You are on a platform communicating with an audience. What method do you use--the lecture method? How does the audience receive your information? Primarily through their ears. Yes, they see you but you use no teaching aids.

This we believe may be an inappropriate way to communicate if we desire to change someone's behavior.

Let's consider this lecture method. A study by Hollingsworth on the retention of a lecture shows this effect. After 1 week the audience retains 62 percent of the information. After 2 weeks the audience retains 37 percent of the information. After 3 weeks, 20 percent--and it continues to drop as time progresses.

Here is a study made by Kirpatrick. Thirty common words were used--10 words were pronounced; another 10 words were pronounced, and they were written on a chalkboard; then 10 words were pronounced, the words were written on a chalkboard, and Kirpatrick showed an object or image of the word. Then the memory factor was measured.

Here are the results:

Pronounced 10 words

Three hours--remembered 7 out of 10 words

Three days --remembered 1 out of 10 words

Pronounced and wrote 10 words

Three hours--remembered 7 out of 10 words

Three days --remembered 2 out of 10 words

Pronounced and wrote and showed object or image of 10 words

Three hours--remembered 8 out of 10 words

Three days --remembered 6 out of 10 words

This study would indicate that we must have a picture or an object. The printed word or the vocal word is not enough. Visuals help to identify or clarify.

Words are essential. Good communication would be impossible without them, but words alone are not enough. Words are merely symbols. The same word means different things to different people; it all depends on how familiar your audience may be with the word. Conservation means one thing to a farmer who has benefited by it and something else to a farmer who has never suffered losses from erosion, floods, or depleted soils.

When I mention the word pie, what comes to your mind? Lemon pie? Cherry pie? Cake? A Pacific Intermountain Express truck? 3.1416? Even here meanings vary. Meaning is in people, not in words. Therefore, we must supplement words with visuals if we want common understanding.

We believe the use of visuals will help you. Visuals will (1) hold interest, (2) increase retention, (3) dramatize your message and (4) motivate your audience.

Combine the visual with the oral for best penetration of the minds of men (and women too).

Membership Publications (Locals to Producers)

J. D. Anderson

Communication between local cooperatives and their members is basically a repetition of the stone age when man's first step was the development of his vocal grunts and growls into a spoken language by which he was able to convey his thoughts to his fellowman. He then formed characters in writing on clay and stone. At a later date in history, paper originated in China and came into universal use as a medium of communication.

We, today, associated with cooperatives on a local level perhaps use paper as a medium of communication more than any other means through the use of letters, magazines, publications, booklets, and so on.

At the outset, please remember that what I am about to say on this subject is based on personal experience and the success of neighboring cooperative managers.

To attempt to rate any one type of publication as to its importance is indeed difficult. It is my thought that personal letters are the most effective means of communication media which may be used to inform, promote, and sell.

I would rate general letters next in importance from a publication standpoint. We have attempted to inform our members by the constant use of general letters as a means of getting a message to the members by mass production, so to speak. Some objectives which we feel may be obtained through the use of paper communications would be:

1. Selling a member on the policies and services of our cooperative.
2. Retaining customers in the face of competition.
3. Keeping contact with the members between our servicemen's calls.
4. Reaching into territories not covered by our serviceman.
5. Possibly selling more items of a given line to more members.
6. Wearing away sales resistance of hard-to-sell prospects.
7. Keeping the member informed on seasonal problems and giving him other information which will benefit him.

To mention some specific items which we have found successful--we have from time to time reminded our members of the many requirements and risks of storing Commodity Credit Corporation grain on their farms. There seems to be a fallacy in our community that when the government accepts grain for sealing that it will automatically stay in condition. This particular year, nothing could be farther from the truth....such grain

stored on farms or in government bins must have care. We have, on occasion, used a common postcard under a heading of a gimmick cartoon of a Chinese individual with a statement, such as, 'Confucius say, 'He who watches grain carefully has little trouble.'"

We also have pointed out through publications the requirements for storing Commodity Credit Corporation grain, the interest involved on loans, time of delivery, and any other matter which we felt was pertinent to the problem at a given time.

We have also used publications in the form of general letters as a means of community service. We have had reasonable success through these letters in cautioning the farmer about driving by blind corners on country roads in the fall when the corn is high and obstructs driver vision. We have encouraged farmers to cut corn back from the corner at this time, selling them on a key phrase of "Be a Neighbor Saver." If we saved one life, our publication coverage through this type of use would be worthwhile. Along these lines, each fall we attempt to caution farmers about the evils of PTO or power-take-off. Several of our customers have suffered the loss of hands or arms by careless operation of machinery.

Some cooperatives use a regular monthly newspaper form of publication to present current news stories about both new and old employees, a general presentation of departmental specials and services, and community activities.

It might be well to mention at this point that any form of communication by publication should avoid the boiler-plate or canned-material influence. A special effort should be made to keep the communication on an informal and personal basis. Frankly, we feel communications, at its best, is a combination of all phases of communication. We cannot ignore personal contact, the use of radio, signs in the plant and in the country, and many other means which may better serve our purpose if used in combination.

Much care in approaching our farmer customers should be used. The farmers' attitudes usually range from extreme receptiveness, overflowing with kindness, when farm prices and crop conditions are excellent, to an extremely critical attitude when conditions are bad. Our farmer member is normally a very busy man and any communication has competition from his many tasks at hand. During the busier season he appreciates our getting to the point. He normally is not a lengthy reader and does not appreciate a book form of communication. He looks to us for information through the use of all communications media and expects to be kept informed of the technical changes, market conditions, special meetings, and many other things too numerous to mention.

Therefore, we, on a local level, in attempting to communicate with the farmer members must understand the farmer, be a proficient politician, the ultimate in advertising, a top-notch sales manager, a psychiatrist, and if you please, master of the art of communication. Obviously, you can see, few of us can qualify for these many requirements in this highly competitive and changing agricultural picture. We constantly look to our regionals and suppliers for help in doing a better job of communications on a local level.

Membership Publications (Regionals to Locals)

Harold Hamil

In the one-room school I attended in northeastern Colorado there was an early edition of the 20-volume Book of Knowledge -- the child's encyclopedia. In one of those volumes was a fascinating discourse on the physics of sound. It ran something like this:

"Suppose someone suspended a bell between two sticks at a remote spot on an unpopulated desert. The breezes would cause the bell to ring. A person setting up such a device would hear the bell until he removed himself beyond earshot. After that, it could be presumed, the wind would continue to shake the bell. But -- with no one to hear -- would there be any sound?"

The writer who posed this question did not, as I recall, offer an answer. I do not propose an answer here today. But I always think of that question when I ponder the problems of formal communication. I never cease to wonder just how much of what we pass off as communication is any more effective than that hypothetical bell, wasting its tinkling on the desert air.

Somewhere in the makeup of most successful writers -- most successful editors -- most successful speakers -- most successful communicators of all kinds -- there must be a prodding spirit which drums away on these harsh reminders:

You can't make them read it. You can't make them listen. You can't make them do what they don't want to do.

All this by way of getting across some of my own feelings on the general theme of this conference -- communications.

I have spent most of my adult years in communications work of one kind or another. If there is any one thing I am certain about, it is the uncertainty of results in this business of transmitting ideas and information. Communication is a tricky and deceptive business. No one can succeed in it, I feel, unless he approaches every task and problem with healthy doses of doubt and skepticism.

I am to talk about membership publications and how they provide lines of communication between the regional cooperative and the locals.

First of all, there are some assumptions I want to make clear.

When we talk about communicating between the regional and the local -- or from the regional to the local -- the regional sometimes appears to bypass the local. Our basic publication, for example, is mailed -- not to the address of the local association -- but to the address of the member of the local. The local, however, is not ignored in this arrangement. The paper goes only to those members who are designated by the local, and the local pays for the subscriptions.

Another assumption that I hope we can accept is that the regional is, in most situations, better equipped and better qualified than the local to carry on some of the broader programs of education and member relations. While communication services in these fields are not the primary purpose of regional cooperatives, they are an important secondary service -- or perhaps a supplementary service -- in the sense that what the regional does can supplement or complement the communication services of the local itself.

It is our feeling in Consumers Cooperative Association that we have many different audiences. In The Cooperative Consumer we try to deal with all these -- and I shall come back to that later.

Meanwhile, just a few words about our two more specialized publications and how they came about.

In the beginning, The Consumer was the only regular publication. As CCA broadened its merchandise program and its services, the need developed for a regular and formalized communication with managers. And so was born what we call the Managers' Bulletin. At the outset this was little more than a collection of order blanks. And these blanks still are an important part of this twice-a-month publication. The blanks make it easy to order fuel tanks, lawn mowers, refrigerators, advertising promotion materials, booklets, and pamphlets. They make it easy to enroll members or employees in CCA schools and short courses, family camps, youth camps, and so on. The Managers' Bulletin is essentially a selling publication -- and it is directed to the manager -- the fellow who buys the products, services, and programs CCA has to offer.

The second of our two specialized publications is called Leadership. It is actually an outgrowth of the Managers' Bulletin, or more properly, perhaps, it is a cross between The Cooperative Consumer and the Managers' Bulletin. It goes to managers and board members of all our member associations. It deals with materials that we consider valuable to directors as well as managers and with material so specifically concerned with cooperative policy and management as to be of limited interest to the average reader of The Consumer.

The material going into Leadership is selected with the thought that it will answer questions about how to run a cooperative -- how to deal with typical problems of local cooperatives -- how to expand into new fields. Most of the material that goes into this magazine is based on actual experiences. It is a how-to-do-it publication for local cooperative leaders in the same way that Better Homes & Gardens is a how-to-do-it magazine for home owners and housewives, and Nebraska Farmer is a how-to-do-it magazine for farmers and livestock men.

Knowing our audience and appealing to our audience in these two publications of limited circulation is relatively simple, compared to what we face when we consider The Consumer.

Here we are thinking about readers in the cotton country of Oklahoma and the Texas Panhandle, the spring wheat country of the Dakotas, the sugar beet regions of the Platte and the Arkansas River valleys, the hog country, the cattle country, the sandhills of Nebraska, and the bluestem pastures of Kansas. We are thinking about small farmers and large ones. About people well informed on co-ops, and people who know little or nothing about them -- people who believe firmly in the policies of the Farm Bureau, and people who believe firmly in the policies of the Farmers Union or the Grange.

Certain persons, appraising the diversity of our audience, have suggested pointedly that we break the paper into several editions, each edited for a specific locality or State. We have resisted such proposals, and we think we have some logical reasons.

First of all, we think there is room here in the heart of the United States for a publication that has one center of interest -- farmer cooperatives. Secondly, we think such a publication can transmit ideas, impressions, and suggestions without dealing in more than the minimum of local chit-chat. We think there are people who read papers for some reasons besides wanting to see their names in print.

The colorful early-day publisher of the Denver Post used to argue that a dog fight on Champa Street was of more interest to Denver people than an international crisis in Europe. With this dictum I cannot fully agree. While I respect the tried and true values of local news, I am convinced that the average American has broadened his horizons tremendously in the last 20 years. A farmer in eastern Iowa today feels closer to a farmer in southwest Kansas than his grandfather in the same location felt to a farmer in the adjoining county. We live in an era of fast-shrinking distances and ever-widening areas of individual interest. In the main, people are not so provincial as they used to be. They have a new sense of living in the whole world.

We try, therefore, to edit a paper that is something more than a house organ for CCA and its member associations.

The Consumer is, in a sense, the official publication of CCA. It reports new programs, new facilities, progress of the association and its members. It promotes the annual meeting, the educational and other activities in such ways that we hope will build and sustain interest among farmers. It reports changes in management personnel and -- within the limits of sound news coverage -- it promotes the sale of CO-OP merchandise in the news columns as well as in the advertisements which take up from 25 to 50 percent of the space in the 24 issues that are published each year.

But while we make no pretense at hiding the paper's identification with CCA and its member locals, we work hard at the job of making it more than a house organ. We think The Consumer can be effective only if it is significant.

We print more news about cooperatives than will be found in any general farm publications or the daily or weekly papers. But we try to handle this news in such a way as to make it interesting as news rather than as co-op promotion.

We take seriously the problems and uncertainties of communication I tried to underline in my opening paragraphs. We try to write about cooperatives in terms of the people who own them, the people who run them, the people who manage them. This emphasis on people is in keeping with an old rule of journalism: People are more important than things or institutions. And you can make readers understand and appreciate things and institutions when you relate these to people, and do it in such a way as to cause other people to read what you have written.

We try to maintain a high level of writing which, in turn, improves readership and understanding of what is written. We strive for quality and meaning in our pictures.

We do all these things, with the full knowledge that some who get the paper at their homes will never see it -- that some who see it will never read it -- that some who read will never understand -- and that some who understand will never be influenced to the point of action.

But even a fleeting acquaintance with a publication that appears regularly in one's home or before one's eyes can have a cumulative effect. A good-looking paper, one that catches a person's eye from time to time, one that carries an occasional article with real impact, tends to build impressions. If these impressions of The Consumer are good, the end result is a good, though possibly vague, impression of cooperatives -- a good, though possibly vague, impression of CCA and its member associations.

Thus we strive to make The Consumer interesting to all kinds of people, while at the same time realizing that its field is primarily cooperatives and the place of cooperatives in agriculture. We try to think

of our readers as serious-minded, mature citizens of their communities, their States, their Nation, and the world. We try to think of them as appreciative of organizations and institutions that are genuinely interested in their welfare. We believe that a cooperative must present itself as something more than an agency of commerce. We think a cooperative publication must do likewise.

We believe that sincere, mature people are the backbone of our cooperatives. We go on the theory that when you influence a thoughtful person who is looked upon as a leader, you influence several others; for such persons set the pace for those people around them who spend little time thinking.

Now, just a few thoughts on a basic problem of publications that are edited in the name of an organization whose business and purposes extend beyond the issuing of these publications. To put it bluntly, the temptation is great in the so-called industrial publication, or house organ, to print only the good news and ignore the bad.

Naturally, we do not seek out the bad and display it above the good. But we try hard not to gloss over the bad when it is to the benefit of our readers to know that there is a bad side as well as a good side.

While we do not like to refer to our publications as dealing in propaganda, we are reminded by our European friends that the word properly applies to any form of special-interest journalism.

When Elmer Davis was director of the Office of War Information during World War II, he had the job of setting the official propaganda line in handling war news. In a nation at war, the temptation is to handle news, as we handle everything else in wartime, with only one purpose -- to win the war. If that means lying, so what? Davis could have established a policy of twisting facts to suit the best interests of the moment -- a policy of convenient lying. But he didn't. He chose rather to follow what he referred to as the "strategy of truth."

I commend this strategy to all cooperative editors and cooperative managements who have a say in editorial policies. We may not always achieve it, but we should strive for it.

Arthur M. Hyde, former governor of Missouri and former Secretary of Agriculture, once said: "The cycles of truth are long, but they roll down the centuries with certainty and power."

Truth is a mighty important factor in building people's confidence in cooperatives. The processes of communication -- with publications or any other media -- are tedious and frustrating. But they are never simplified by compromising with truth or settling for anything but the highest standards of skills that can be brought to the task.

And now in closing, let me touch on a thought that became a part of this speech on the suggestion of an associate after he had read the first draft.

Let us not forget that when we have reasonably effective machinery of communication in our control, we must not overlook what might be referred to as our higher purpose.

It is trite, but nevertheless true, to say that we live at a time when survival of the ideas and the way of life of Western man -- even the survival of Western man himself -- is at stake. Self-government faces great tests. Understanding the problems of our Nation and of the whole world is of supreme importance.

Rather than education's being a tool in the selling of cooperatives, the selling of cooperatives can be in a larger sense a tool to further education. In this crucial period of a free Nation's history, therefore, a vital function of cooperation among free individuals may very well be to power their own self-education through their cooperative business activities.

Employee Communication

H. S. Vanderlinden

In the few minutes allotted to me this afternoon, I would like to discuss with you our employee communications program, which we feel has done a good job in our local cooperative. Since programs such as this depend to a great extent on the person administering the program, I realize that changes would be necessary to adapt it to other local cooperative situations; however, we have found it to be basically sound in practice.

If we are to feel that a communications program is worthwhile, we must be willing to make the assumption that a well-informed employee will perform better and more nearly up to his capabilities than one who is kept in the dark. If local management is insecure enough to feel that they may not advise their employees concerning the facts of the operation, then such a program as I am about to outline will never be implemented satisfactorily.

These are the things which I feel contribute greatly to successful operation of employees, regardless of their tasks:

1. Good employee meetings.
2. Informing employees of correspondence with members.
3. Advance notice to employees concerning advertising.

4. A weekly bulletin.
5. Carefully planned conferences.
6. Prompt correction of errors and policy violation.

Employees should have regular meetings which they are required to attend and from which there are few excuses. In our organization, the only excuses for not attending an employees' meeting are illness or death in the immediate family, or participation of children in school events. Perhaps there might be other situations that could be excused on an individual basis, such as attendance at other meetings where the community interest is involved. However, ample notice is given all employees concerning the employee meetings. They are held regularly on the third Wednesday of each month, and in most instances, the employees are successful in scheduling their other meetings to avoid conflict with employee meetings. We believe that one of the requirements for success is regular meetings scheduled well in advance so that the employee may plan his time and arrange to be present at these meetings.

Our next requirement for a successful employees' meeting is the proper atmosphere and, in our case, we have a very nice cafe which prepares an excellent supper. This also allows the employees who may be late for one reason or another, to miss part of the dinner-hour conversation, but be actually on time for the meeting.

A third requirement is to have subject matter presented at this meeting which is important enough for you to make demands on the time of the individual employee. It is inconsiderate to ask an employee to attend a meeting, and, even though you may provide him with a good dinner, you present at this meeting unimportant or irrelevant or poorly organized information, which makes him feel that he would have been better off had he stayed at home with his family. The items that we present at such employees' meetings are pertinent things such as discussion of credit--with a local banker leading the discussion; discussion of gasoline tax information--with a representative of the Treasurer's office present to lead the discussion; discussion of chemical information--with an entomologist from the college or from our supplier present to present the information.

At least two of these meetings should be devoted to a frank discussion of the financial situation of the cooperative and the aims and goals of the cooperative--this discussion being led by the manager, who should be best informed concerning this subject. At this time, free and open discussion should be held on any of these subjects developed. I would suggest that you remember this one important point and that is: If the meeting is not worth having, don't have it!

In order to perform up to their expectations, employees must have information. They must know as nearly as possible all the information available concerning the financial structure of the co-op, the products handled by the co-op, the goals and aims of the co-op, the policies

of the co-op, and--above all--must be well-informed concerning communications between the co-op and the members. For this reason, we have a policy at our cooperative that we do not write to any member concerning any matter without sending a copy of that letter to those men who serve that member with products handled by the cooperative.

Each time we place an ad in the local newspaper, the information contained in that ad is transmitted to the employee prior to that ad being run. If possible, a copy of the ad itself should reach the employee so that he is aware of the fact that certain advertising is being placed and will be able to answer the questions of the first member who sees the ad.

Our weekly bulletin is a vital part of our communications program. As I explain the program, I expect to see a smile or two when I mention our method of distributing the bulletin. However, I want you to realize that each of the five parts of this program has been examined carefully and is important in every detail.

1. The bulletin is prepared by the manager and, in our case, I actually type the bulletin directly onto a stencil for distribution.
2. The bulletin is prepared and then mailed directly to the home of each employee. I feel this is important because those people at home have a vital part in maintaining employee morale, and too often they are not kept informed concerning the things that are going on at the co-op.
3. No one is allowed to read the bulletin at the office and, by mailing it on the weekend, we are assured that each home will receive the bulletin at the same time. This is important because it eliminates the possibility that one person may read something in the bulletin and then call it to the attention of another employee before that employee has had an opportunity to read the bulletin.
4. We do not feel that the bulletin should be a weekly newspaper telling of events transpiring in the homes or families of the employees. Only in unusual cases, where employees receive special recognition in their community, do we report personal information.
5. The bulletin, rather, is a method of telling the employees what is going on in the co-op and what our financial situation is, of explaining about economic situations regarding agriculture and, in general, of giving the type of information which may make all employees feel that they are as well informed as those persons who work in the office where the decisions are made. No other single part of our program has gained more employee approval than the distribution of the weekly bulletin.

A fourth part of our employee communications program is the employee conference. For some time we tried employee conferences without much success, and then suddenly we realized that we had been making a serious mistake. Employees were called to the office to have this conference.

Now you and I are used to discussing our business across the top of a desk, but the bulk of the local cooperative employees are not. They are much more at home in the cab of a truck, on the drive of a service station, or in a warehouse. With this in mind, it does not seem so strange that they are hesitant to suggest ideas or changes when they find themselves out of their element. Therefore, we have adjusted our program so that if we are seeking solutions to problems, or if we are after employee suggestions, we conduct those conferences at the employee's job site--whether it is the cab of a truck or the warehouse.

On the other hand, if we are conferring with the employee as a matter of discipline or a matter of rewarding special achievement, we do that always in our office, where we feel that the employee will be more receptive either to the suggestions made about his work or to the compliments he may be receiving for a job well done.

Employee conferences should be planned as carefully as employee meetings. Know what information you want to get and how you plan to get it before you conduct the conference. Each person is an individual and must be approached in a slightly different manner if the conference is to be a success. Failure to recognize this will render the conference program ineffective before it has commenced.

A last--but extremely important--part of employee communication is the letter from the manager or department manager to the employee. In our situation at Harlan, we have about 40 to 50 percent of our employees who are in the office from time to time. On the surface it seems rather ridiculous that we should write and mail a letter to them when they can be handed this letter in the office. But I have found through experience that the results obtained from letters mailed to the employee's home are far greater than those from letters handed to the employees in the office.

Suggestions made in letter form are much more effective and will achieve greater results than those passed on by word of mouth or by memorandum handed to the employee. Speaking quite frankly, I find that in many cooperatives, employees have more contact with the membership than the management has. This sometimes constitutes a problem from the standpoint of discipline, and may result in failure on the part of management to properly correct situations at the time they should be corrected. There is something about a letter mailed to an employee's home which seems to fill the bill in making such a correction.

Our cooperative now employs over 30 persons. We have the usual number of complaints and problems and expect always to have these problems and complaints with us. On the whole, however, I feel that our employees--as a result of the program just outlined--feel much closer to the organization than they did prior to our implementing this program. They seem happier and are better informed. Nothing is more embarrassing than to be asked a question by a member and to be unable to answer it. This situation has been eliminated.

Everywhere we go we hear of the importance of planning, and while it may sound trite to say that planning is the essence of a communications program, it is, nevertheless, fact. I discovered that a communications program could not be successful unless considerable time was devoted to planning and organizing each phase, and I would caution against attempting to place such a program into action as a complete unit. First, you would find it would be somewhat of a shock to the uninformed employee. Secondly, you would find it burdensome because such a program takes time, both in execution and preparation. If treated lightly and handled poorly, it will add up to nothing but an unworkable mess. Begin only that part which you have time to complete.

Institutional Advertising as a Communication Technique

Jim McGuire

This brief discussion on institutional advertising was handed me by the program committee because through the planning session I kept suggesting we needed an advertising specialist to outline for us some of the things both local and regional cooperatives could be doing in the area of institutional advertising. I am not the specialist. I am still calling for one.

There are constant changes in what people think within cooperative work and constant changes in thinking about cooperatives on the part of the general public. You are co-op thought leaders. You are the people who should be in constant touch with these changes, and I feel it is a part of your job to capitalize on them and even steer them from time to time.

My primary concern at this time is about the needs and efforts of local cooperatives in this area of institutional advertising. While I am on the advertising subject, then, I want to make a few points that seem to me to be relative to our State Councils and regional co-op advertising programs.

If a hometown co-op manager took all the time he should to make use of the many excellent services, aids, and short-cuts he is extended by regional and statewide cooperatives, he would find he had very little

time left to do what he considers to be the job of management. Perhaps this is a big part of the real job of management--"how to keep my feet on the ground and at the same time take full advantage of training programs, member relations aids, selling techniques, and other member services offered." This is indeed a part of the job of the manager to know which services offered can best be used in his cooperative.

We expect a lot of things from a co-op manager. We insist he be skilled in many areas, and to do his job thoroughly he must be just that. Co-op managers are quite generally, I believe, unskilled in the matter of advertising. Again, I am not the specialist. Since our time was limited, I feel the best I can do is to point to some of the problems so that perhaps another conference will help us get full use of some skilled help in the field of advertising.

When I talk about the field of advertising I mean just that. In this case I am not referring to the all-encompassing member and public relations efforts which include annual meetings, special meetings, public relations directors, and such. I feel we need a lot of information specifically in the area of advertising by radio, newspaper, television, and direct mail. This, of course, involves product advertising and I do not want to touch on that except to say that we probably do a better job of using advertising media to tell what we have for sale than we do in telling what farmers and other businessmen can do by working together.

How to get the most out of advertising dollars is a big problem for all business. Cooperatives have an additional problem in this matter of institutional advertising. We offer co-op managers very little help in this area--very little institutional advertising copy and very few suggestions about how to best spend their money to tell the co-op story.

We each have our pet theories about how to advertise and we are constantly reminded that cooperatives need to tell their story. Within this area there are plenty of offers to help us spend our money--offers built mostly on appeals to the co-op managers' pet theories or whims. Among these appeals are our own cooperative programs of youth scholarships, special institutional advertising projects, annual meetings, souvenirs to members, and parts of our State Council programs.

The mass media--newspaper, radio, TV--sales representative is always looking for advertising revenue. A time or two I have detected an attitude in one of these representatives as a sort of "Be nice to me. After all, you need friends and we can help you." Have you ever met that attitude?

I believe someone could do a good service to home-town cooperative managers by preparing and making available a complete "Guide to Better Co-op Advertising." Perhaps this would be received as just another

dream of some PR man but I feel such a guide would be a very useful tool. It could help the manager understand how to analyze the effectiveness of newspapers and radios in his trade territory. It could give him some pointers on how to work with representatives of these media. It could also help him establish an advertising budget and a balanced advertising program. No doubt you have detected I am not talking about institutional advertising alone in this regard. I am talking about commodity and service advertising, too. Some outstanding efforts have been made and are being made in these areas.

The primary points of my talk have been covered--adequately enough, I hope, to help you feel we can use some more study in this field.

Secondarily, I would like to make just a few comments on this whole matter of institutional advertising and some of the problems that face us when we set out to set up a program. First of all, the institutional co-op story is not just a story of money borrowers or grain marketers or purchasers of farm supplies. It is everybody's story, and everybody does not agree on how the story should be told. For that matter, many of the businessmen's cooperatives probably prefer to be left out of the "Co-op Story" entirely.

Since this is everybody's story, there develops a real and practical problem of "How much money should we spend to tell the story--" If we do spend a lot of money to tell the story, we want to make sure that we get credit for all the dollars involved. This is not just a matter of selfishness. It is a matter of good business. It is one of the things which helps us "sell" an advertising program to our members.

No doubt there would be more money for a joint advertising program if 20 companies pooled all their resources; but the sound business question keeps arising: "If we are going to put that much into a program, should we not have our own name on the ad?" The name of a committee or a council is not very personalized for any one company and certainly it does not readily attract a 5- or 10- or 20-thousand dollar contribution even though everyone says: "We need to work together to tell the co-op story."

A complete and generalized co-op institutional story can be directed to fit each person's pet theories over a period of time, it seems to me. I feel, too, that we need to take a close look at some of our terminology. We understand what we are talking about, but I believe some of our casual conversation is confusing to the general public. It brings on, at times, some additional public relations problems. We talk about cooperatives as different from the "private grain trade." Co-ops are not Government, they are private.

I believe we quite properly use the term "savings," but we force the general public to understand that this is a term we use in place of "net profit." There is a difference, but to add to the problem we forget to show the net profit figure when we declare in dollars and

cents that we pay Federal and State income taxes. A half-way informed businessman will quickly compare the tax figure to net savings and this is not a fair comparison. This may help us sell members, but it does not help develop public relations.

I am not at all certain that the term "movement" adequately describes membership and services within credit unions, wholesale grocery cooperatives, mutual insurance companies, farm market cooperatives, farm supply cooperatives, rural electric cooperatives, farm credit cooperatives, and others. I would apply the term "movement" to the credit union field or to the farm co-op field or perhaps to the retailer-owned grocery wholesale, but I doubt that the term "movement" adequately fits the total area where the co-op technique is employed.

Another real problem to this total area of institutional advertising is the matter of mixed objectives between and among cooperative people. Quite often good co-op people express to me their feeling that there is just no reason for a cooperative in another particular field. They have not felt the need in that field and they do not understand why the cooperative technique is employed therein. This matter of not understanding each other's objectives is one of the hazards to a joint institutional advertising program. It is a hazard which can be overcome by meetings like this.

I feel we need to work together to tell agriculture's story and the farm co-op story. I believe we would do well to direct part of our institutional advertising toward a comparison of cooperatives, which are joint businesses of farmers, with joint business ventures of all other segments of our American economy.

May I touch once more on the feeling that we as co-op member relations and public relations people need to know much more about advertising? We need, also, to develop some programs in, and some understanding of, this area among co-op managers with whom we work.

Editor's note: The following talk was given at the evening banquet session of the Conference. Mr. T. L. Davis, Director, Sales Service, Illinois Farm Supply Company, served as toastmaster for the occasion.

Now is the Time for Farmer Cooperatives to Stand Up and Be Counted

Joseph G. Knapp

I am tremendously thrilled by this meeting so far. It seems to me that we are making progress in learning how to communicate with each other.

The topic given me is somewhat ambiguous because it assumes that a cooperative is a personal thing. When we say "Now is the time for farmer cooperatives to stand up and be counted," I think we mean "Now is the time for those who are deeply interested in cooperatives to stand up and be counted"--members, directors, managers and well-wishers. At any rate, that is the way I am going to interpret the subject.

Moreover, I might as well admit that I am going to talk with you informally and say whatever comes into my mind. Of course I have a few notes and various props.

The other day I picked up the following proverb in a Washington taxi: "A wise man can learn from a fool. A fool can learn from no one." I don't know what application it has for us here today but it does relate to the process of communication. We have heard many wise men here in the last 2 days, and of course we haven't any fools with us.

This morning I was asked this question: "Are farmers more or less interested in farmer cooperatives now than in the past?" This is a good question and one hard to answer. I will give you my answer in these somewhat equivocal words: "Interest in cooperatives today is very keen and the potential interest is great."

We have heard quite a little discussion today about the good old days of cooperation. Well, I can go back quite a way in my experience of working with cooperatives. I remember many of the great cooperative leaders of the 1920's, and I salute their memory. However, at the time they didn't seem so great as they do in retrospect, and I am of the opinion that we have at present more well-informed and capable people interested in cooperatives than we have ever had before. Perhaps we have less emotion among cooperative leaders but we have less emotion for things generally than we had 30 years ago. I would express this as follows: Interest in cooperatives is very great, but it is too often latent. It needs to be aroused. People are not interested in ideas or commodities until they are brought to their attention, and ideas as well as commodities have to be sold.

Ken Stern often says that, despite certain sobering elements, he sees some constructive developments in the wind. Perhaps the climate is not what it used to be, but nothing else is either. The important thing is that we can help make the climate for ideas, and that is what you people here are concerned with--gaining acceptance for what you believe in.

I believe that cooperative leaders must shift from the defensive to the offensive. It is my experience that people generally like to be on the offensive--that they like to be for something. While I admit that a few also like to be against something, the only way to build a favorable understanding for an idea is to be for it.

In the confusion of the times the farmer cooperative is something we can tie to. It is significant that all farm organizations are generally in favor of cooperatives no matter how much they disagree on agricultural matters. Could one imagine a free independent type of agriculture without cooperatives as we know them?

To gain standing for cooperatives, one must identify them with the future of farming and of our country, too.

We often see only our own cooperatives and we don't see how big the idea of cooperative business is. We may get discouraged by local circumstances and not see the big picture. I am reminded of a little talk that I heard Senator Aiken give the other day. He indicated that when he couldn't see any progress in what he was doing, he found the antidote in looking back over his shoulder for about 30 years. That gave him enough time to see what progress had really been made.

When we look back for only 10 years we can see enormous progress. The banks for cooperatives have become in fact cooperative institutions. The net worth of cooperatives has greatly increased. They have greatly improved their management capacity. Boards of directors have become more responsible. Mergers have brought about stronger cooperative organizations. In many instances cooperatives have found that they can work together although it is generally claimed that this can't be done.

Just think for a minute of how potent a force is represented by all the farmer cooperatives in the United States. There are 7-1/2 million memberships in farmers' marketing and purchasing associations, and 3 out of 5 farmers belong to organizations of this type. When we take into account rural electric cooperatives, credit cooperatives, insurance cooperatives, irrigation cooperatives, and so forth, we find that the total number of memberships in all types of cooperatives runs to about 20 million. And it's very hard to find a farmer who doesn't belong to at least some kind of cooperative organization. So let's not get the idea that cooperation is an unpopular kind of thing. Just think of the strength of all the cooperatives in the United States and the influence they have. Think also of the importance of cooperatives in all parts of the world--in India, in Africa, in South America, in Canada, in Japan, and in Europe. Cooperation is a worldwide form of business organization used by farmers. Let's keep the big picture in mind and not be overwhelmed by local difficulties.

'Now is the time for farmer cooperatives to stand up and be counted.' That is my point of view, expressed in the title of this talk. However, I would add, "It is always the time for farmers and their cooperatives to stand up and be counted." It's always important to put your best foot forward. There is nothing more important any time than enthusiasm based on belief. It's necessary for selling anything. It's necessary in getting anything accepted or accomplished.

I remember an essay contest that was sponsored by one of the large corporations a number of years ago in which the topic was given "Why I like working for this concern." All the essays were put into a book and they made very interesting reading. I would like to see more questions of this kind made subjects of essay contests in America. "Why I like my co-op." If that doesn't appeal let me suggest this topic, "Why I don't like my co-op."

Then there is also this question to consider. Assuming that cooperatives should speak up, where should they speak up? My answer here is very general. I would say--in churches--in community organizations of all kinds--in colleges--in newspapers--wherever necessary. Now I don't mean to insinuate that a person should make himself obnoxious going around advocating cooperatives. My meaning here is that a person interested in cooperatives should see that cooperatives are fairly represented. He should stand up for them when they are under attack. He should help educate people who have a misunderstanding of them.

Many times when you hear attacks made on cooperatives, you don't need to get into an argument. All you need to do is to ask this question, "Where did you get your information?" You will generally find that the person who is spouting off really doesn't know much about cooperation and this may give you an opportunity to improve his sphere of knowledge. Try it some time. I have found that it works surprisingly well.

A year or so ago I gave a talk at a Civitan Club in a large city on "Cooperatives and American Business." I tried to explain how cooperatives work and endeavored to correct certain misconceptions regarding cooperatives. I felt that I was speaking in a somewhat hostile environment because it was not a farm group and there were many people in the city who were opposed to cooperatives. However, I was greatly pleased to have a number of people come up after my talk and indicate that they were glad to get my slant--that they had never really understood cooperation and that this was of help to them. It gave them a different point of view.

We must penetrate a fog of misunderstanding and to do that we must tell a constructive story. Two weeks ago public relations representatives of the Cooperative League met in Washington and reported on a study that had been made for them on cooperative publications and advertising. The agency that made the study came to the conclusion that the publicity job being done by cooperatives with cooperative members was far from good. Not enough cooperatives are really telling a constructive story. They are so concerned with defending themselves that they are not thinking of their inherent assets.

This suggests another thing to me. If you are going to stand up and be counted, you must help make cooperatives as good as they should be. Their facilities should be cleaned up, spruced up,

painted up, identified. Cooperative members should be proud of the facilities that serve them. We are getting away from the idea that a farmer doesn't like things as good as anyone else.

We also need more use of cooperative films. Most cooperative films are used almost exclusively by the cooperative that makes them. As a result, they are perhaps overused at home, but not given other use. I think we might get around that by having some sort of interchange system where cooperatives could trade films. This would tend to widen cooperative horizons. The members of a cooperative in New England, for example, would find of considerable interest a cooperative film coming from California and vice versa.

Have we done enough to broaden our cooperative horizons?

We have had a discussion today of institutional advertising. Now what do we mean by the term "institution" in institutional advertising? Here we get into the question of semantics. Various people will immediately think of different kinds of institutions. Are we talking about the cooperative idea or the cooperative buildings, one cooperative--or what? I think too frequently we think of institutional advertising as related to the promotion of one company or one institution, if you please. What we need may be a little different concept, and perhaps a different term to convey what we have in mind by institutional advertising. The English use a term which conveys the idea of goodwill advertising. They call it "prestige advertising." I wonder if we wouldn't do better if we thought of goodwill or prestige advertising rather than institutional advertising, especially when we are thinking of getting public acceptance for an idea.

Willis De Spain, in his talk today, said that the younger generation is not interested in history. I am sure he is right. However, I don't think they are naturally interested in botany or mathematics or physics or a lot of other things. On the other hand I believe that they become excited in any subject that is made "interesting." Has any great effort been made to make cooperative history interesting? What efforts have been made on the part of cooperatives to get interesting cooperative history written? John Eidam today told us how he was thrilled by a man who could use his historical knowledge of cooperatives to make clear why a given policy would not work. Maybe we'd better take another look at cooperative history. If we had more competent cooperative histories such as the book on Land O'Lakes, "Men to Remember," it could do a great deal to strengthen our cooperatives.

We should keep in mind that some of our respected American corporations such as Sears, Roebuck have a high respect for business history. One of the finest books on marketing and business organization that I know of is "Catalogues and Counters"--the history of Sears, Roebuck Co. I recommend it to all of you because it contains ideas that pertain to cooperative as well as to other forms of business. A vice-president of Sears recently told me that they were going to bring this book up to date because it serves such a useful purpose.

Pride is a priceless ingredient in almost anything, but it is particularly important in cooperatives. If we don't know the history of something how can we feel pride in it? If we don't know the history of our Nation how can we fully appreciate it? Wouldn't it have been a tragedy if the great founders of our Nation had not been capable of writing an account of their experiences in setting up this Nation? If all the history of this country were destroyed, would we be any stronger as a Nation or would we be much weaker?

"Involvement"--this is a term that we have heard several times in the last 2 days. How can we get people involved so that they will feel like standing up for their cooperative? If we are going to speak up for cooperatives, what do we say? If we are going to speak up for cooperatives, we must know the facts about cooperatives. We must know how they operate. Do we know enough to speak up for cooperatives? Let's find out more about them as a basis for saying more about them. How do we say it? Do we go around with a chip on our shoulder, or do we mind our business and politely give out helpful and reliable information?

It takes salesmanship to motivate and research to find out how to motivate. In general, cooperatives are too timid.

The Minute Man program of the rural electric cooperatives appeals to me. These Minute Men speak up for the kind of cooperatives they represent. I believe that we should have more minute men in all of our cooperatives--men who accept responsibility for speaking up for their cooperatives.

We must identify cooperation with the future of farming and of our country too. We often see only our own cooperatives and we don't see how big the idea of cooperation is. In these meetings we have talked about strategy and tactics. How do we get agreement? How do you get directors to direct and members to participate? Take the tax problem. Do we face up to what the confusion is all about? I believe that too frequently members don't have a clear understanding of the economic and legal nature and objectives of their own business. As a result, they have been taken in by the propaganda of those opposed to cooperatives.

We can be confident of the future but that doesn't mean complacency. Public relations has been defined as "doing a good job and getting credit for it." Most people stress only the last part of this sentence. You've got to do a good job if you are going to get credit for it.

So to conclude--let's speak up for cooperatives and let's work to improve them while we do it.

SESSION III

Friday Morning, May 6, 1960
Chairman: Thomas A. Maxwell

SOLVING PROBLEMS

The Farm Credit Membership Story

Merle E. Betts

The Farm Credit Banks and associations, like other cooperatives, have given serious thought and effort to building member understanding and goodwill. Surveys have shown that a substantial part of the new loan volume of the Farm Credit System is developed through satisfied members telling their neighbors and friends about the services available. Member relations gets a high priority in the overall public relations program of the Farm Credit System.

There have been some roadblocks through the years which have made it rather difficult to communicate some of the basic information about this system. The fact that the banks and associations were originally capitalized by the U.S. Government -- plus the word "Federal" appearing in the names of the Federal Land Bank and the Federal Intermediate Credit Bank -- have led many people to think that these banks are Government lending agencies.

Part of our effort in membership relations, then, has been to let people know that these are cooperative lending institutions. Another misconception has been the belief of some people that the Farm Credit Banks lend Government money. Our membership relations effort has been to let people know where the money comes from -- to tell them about the fiscal office in New York City which markets some \$4 billion in Farm Credit Securities annually. It is through the sale of these bonds and debentures that the lending funds for the system are obtained.

Among the tools we use in telling people about the Farm Credit Banks and associations and the services they offer is a flannelboard presentation which is made to annual membership meetings and other farm and city groups as well. This flannelboard demonstration presents visually the organization of Farm Credit Banks and serves as an outline for a discussion of how we serve farmers and their cooperatives.

The story of the cooperative Farm Credit System should be prefaced by some mention of the credit needs of agriculture. From the days of the early

American pioneers, credit had not been available to farmers in amounts and on terms which suited their needs.

For example, in the early 1900's if a farmer were able to obtain long-term mortgage credit at all, it was for a term of 3 to 5 years and at rates ranging up to 12 percent. He had no assurance that he could renew his loan if he were unable to pay it on the date due. If he was able to renew, he found that renewal fees were high. Local economic conditions often determined whether credit was available at all.

It was this background of high-cost credit poorly suited to farmers' needs that aroused the interest of agricultural leaders in the development of a permanent system of credit for agriculture.

Commissioners appointed by presidents Theodore Roosevelt and Calvin Coolidge studied cooperative credit in Europe and devised a plan for a long-term farm mortgage credit system for the United States. Thus the Federal Land Banks were born with passage of the Federal Farm Loan Act in 1916. They served as a pattern for the Production Credit System and the Banks for Cooperatives which were organized in 1933.

The member-borrowers of the Farm Credit System are the most important individuals in it. They own the Land Banks and the Production Credit Associations. And they are well on the way to ownership of the Banks for Cooperatives and the Intermediate Credit Banks. It was for the farmer-borrowers that the Farm Credit System was set up.

The Farm Credit district banks are, in effect, regional cooperatives -- and as such their members are the local credit cooperatives -- the Federal Land Bank Associations and Production Credit Associations. In the case of the Bank for Cooperatives, its members are local and regional farmer co-ops.

The membership relations problems of a regional are different from those of a local. The need for leadership publications and management training programs enters into member relations for a regional. Helping locals do a better job of member relations becomes part of the program.

The Federal Land Bank Associations and PCAs are already following many of the principles which make up a good member relations program. Our job in the district banks is to give them encouragement and help them to do an even better job.

Upgrading newsletters of Production Credit Associations is an area where we try to be of service. Helping institute an effective news service for each FLBA and PCA is another part of the program we have been working on. News clippings from association annual meetings were substantially greater this year than last. Assistance in planning annual meetings is another member relations service rendered by the banks.

We encourage association managers to offer their services as speakers to vocational agriculture classes and other groups. Through their publications and at stockholder meetings, the Banks for Cooperatives encourage member co-ops to improve their member relations efforts.

These are only a few of the areas in which the Farm Credit Banks, as regional cooperatives, work with their members.

A good example of the effect a member relations program can have on the volume of business is the growth of the Farm Credit System in recent years. Five years ago the Omaha Bank for Cooperatives published the first issue of its membership house organ The Co-op Bank Messenger. Since that time the volume of loans outstanding has nearly tripled.

There have been other factors in addition to the publication, of course, but much of the growth can be attributed to a concerted effort in the field of member relations. Both the Federal Land Bank and Federal Intermediate Credit Bank here have instituted similar publications in the last couple of years. The response has been excellent. There is little question of the communications value of publications which go from the regional to the local.

In addition to the publications of the individual Farm Credit Banks which go to their respective "locals," we publish a quarterly magazine, Farm Credit News. This quarterly goes to all member-borrowers in the district, which includes some 60,000 farmers. The circulation of this publication also includes managers of all cooperatives in the district and other agricultural leaders.

Measuring results of our member relations activities is another part of our program. Readership surveys, plus careful listening for the reaction of members, are two ways we use to get "feed-back" in our communications effort.

Another point we attempt to make in our member relations program is that the farmer-members not only have major ownership of the system, but they have a real voice in policymaking. The boards of directors of the Federal Land Bank Associations and the Production Credit Associations are elected at annual membership meetings. Five members of the district Farm Credit Board are elected by borrowers -- two by the Federal Land Bank Associations, two by the Production Credit Associations and one by the borrowers from the Bank for Cooperatives. Two members are appointed by the Governor of the Farm Credit Administration.

As cooperative credit organizations, we believe it behooves us to let people know that we are on the farmers' side. This should be true of any cooperative and may well be used to develop goodwill on the part of members. Farmers today often feel they are unfairly criticized by non-farm people. Such a feeling is justified when you recognize the biased reports that often appear in print. We have a job to do -- as part of our member

relations program -- to let our members know we're on their side. Then we have the further responsibility of telling the farmers' side of the story to non-farm groups at every opportunity.

The attitude of management is a key factor in the success of any member relations program. We are particularly fortunate in the Farm Credit Banks of Omaha that top management, including our board of directors, are vitally interested in member relations. Their support, guidance, and encouragement make the member relations job easier and add greatly to its effectiveness.

Handling the Hot Potatoes

Earl L. King

We understand a cooperative to be a business organization which is owned and controlled by those who use it, and which is operated for their mutual benefit as individual patrons.

It is in this area of control that problems often arise. Obviously, the number of members involved in most cooperatives makes it mandatory that members delegate authority to their elected representatives. The board, in turn, delegates to the manager, and the manager to certain key employees.

You cannot ordinarily delegate responsibility without also delegating enough authority to make it possible for the person or persons involved to carry out the responsibility. Everytime authority is delegated there is a problem in communications. Even written communications can be misinterpreted and often are.

Everything usually goes along smoothly until a difference of opinion arises. It is when controversies arise which make it necessary to interpret policy that managers and directors must meet the "test."

We propose to put you to the "test" in this session by tossing you what we hope will be a few "hot potatoes" in the field of cooperative management. I am using the term management with reference to the management team of board and manager.

Editor's Note: Here Mr. King distributed for general discussion a list of specific problems a cooperative and its members might have to meet and solve.

The Cooperative Climate of 1960

J. K. Stern

From 1914 through 1928, every appropriation for the Department of Justice carried a rider stating that none of the funds could be used by the Anti-Trust Division to prosecute farmer cooperatives. Today cooperatives are being scrutinized by most branches of the Federal Government, and the attitude is sometimes lacking in understanding. Witness the limited budget under which Farmer Cooperative Service has to operate. I want to commend FCS for providing leadership to encourage better organization, to strengthen farmers' bargaining power, and to offer hope of improving farmers' net incomes, particularly in the field of cooperative marketing.

The anti-cooperative forces are more aggressive than ever, and the men who should be defending agriculture are too often silent or go along with the opposition.

Most newspapers and magazines, other than farm papers, are blasting agriculture and cooperatives in a way they never did before.

Perhaps the seriousness of our situation is awakening us to the need for cooperatives to face up to the problem of member relations and public relations. The crying need is for two-way communication between the cooperative front office and the member at the end of the lane, between cooperatives themselves, and between cooperatives and their publics.

We have the tools to do the job. Our universities, our State Cooperative Councils, our Farm Credit Banks, our State Departments of Education, our Farmer Cooperative Service, our youth organizations, our AIC and the co-ops themselves, TOGETHER, can and must join hands in this common task. The cooperative part of our private enterprise system is the part, many times, that keeps our capitalistic system a competitive one, and all 180 million of our population share an interest in this objective.

These conferences of professional people interested in member and public relations are intended to move us in the direction of getting this important job done.

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1/ Since this Conference was held, Mr. Anderson has become General Manager, Consumers Cooperative Services, Plattsburg, Missouri.

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